

FISCAL IMPACT STATEMENT ON BILL NO. **H. 3346**

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TO:	The Honorable Ronald P. Townsend, Chairperson, House Education and Public Works Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	R.J. Stein, Harry Bell		
DATE:	February 23, 2005	SBD:	2005167

AUTHOR:	Representative Scott	PRIMARY CODE CITE:	44-45-10
SUBJECT:	Children's Health Obesity Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost to Federal / Other Funds (See Below)

BILL SUMMARY:

House Bill 3346 amends Title 44 of the Code of Laws of South Carolina, 1976, by adding Chapter 45 establishing the Children's Health Obesity Act. The Bill creates a seventeen-member Advisory Committee which is to make recommendations to the Department of Health & Environmental Control (DHEC) and the Department of Education (SDE). The Committee is to be supported by DHEC. SDE is to promulgate regulations and initiate programs to ensure that the nutrition and physical activity standards recommended by the Advisory Committee are implemented. The Bill requires both agencies to annually furnish progress reports to the chairmen of the Senate Education and Medical Affairs Committees and the House Education and Medical, Military and Municipal Affairs Committees.

EXPLANATION OF IMPACT:

The Department of Health & Environmental Control estimates the cost of salary and related fringe benefits for three employees at \$206,250. Federal grant funds at DHEC of approximately \$22,000 will be used to offset a portion of one employee's salary and fringe benefits. Operating costs are estimated at \$27,362 which includes mileage, per diem and subsistence payments to committee members, and a small portion for office supplies for support personnel at DHEC and SDE. One-time office start-up costs are estimated at \$11,400. Therefore total first year salary, fringe and other operating costs are estimated at \$245,012 (\$22,000 of which would be federal funds). Total annual recurring costs are estimated at \$233,612.

SDE and DHEC each note that costs associated with program implementation, monitoring and evaluation cannot be determined at this time as these costs will be determined based on recommendations made by the Advisory Committee. SDE indicates implementation costs could range from \$50,000 to \$1,000,000 annually.

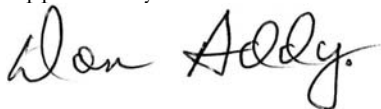
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

SDE notes there will be a loss of revenue from prohibiting vending machines offering food and beverages. In addition, SDE indicates that there will be costs to the individual school districts, related to program implementation, in-service training, curricula and instructional materials development which are at this time unknown.

Approved by:



Don Addy
Assistant Director, Office of State Budget